

REPORT/RECOMMENDATION TO THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO COUNTY

**IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
AND RECORD OF ACTION**

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June 24, 2003

Continued from June 17, 2003 Agenda – Item Heard on June 23, 2003

**FROM: DAVID AROCHO, Executive Director
In-Home Supportive Services Public Authority**

**SUBJECT: IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY FISCAL YEAR
2003/2004 BUDGET AND SPECIAL REVENUE FUND ADJUSTMENTS**

RECOMMENDATIONS:

- ~~1. Conduct a Public Hearing to take testimony on the Fiscal Year (FY) 2003/2004 Proposed Budget for the San Bernardino County In-Home Supportive Services (IHSS) Public Authority.~~
2. **At the close of the Public Hearing, instruct the IHSS Public Authority to present the FY 2003/2004 Proposed Budget, including any changes the Board of Directors may direct, for adoption as the Final Budget on Tuesday June 24, 2003 at 10:00 a.m.**
3. **Recommend the County of San Bernardino Board of Supervisors authorize the Auditor/Controller-Recorder to perform the Appropriation and Revenue adjustments in the IHSS Public Authority Special Revenue Fund as detailed in the Financial Impact section.**

BACKGROUND INFORMATION: The IHSS Program was created in 1973 to assist individuals who are blind, seniors, or individuals with disabilities who are not able to remain in their homes without assistance.

The San Bernardino County In-Home Supportive Services Public Authority was established by County Ordinance 3842 to administer certain aspects of the In-Home Supportive Services Program as mandated by Section 12302.25 of the California Welfare and Institutions Code. The Public Authority, in accordance with the mandated requirements outlined by the State of California, administers the following functions for the County of San Bernardino IHSS Program Participants:

- Serve as an employer of record for all IHSS Home Care Providers, for the purposes of collective bargaining.
- Establish and maintain a registry of potential care providers.
- Perform an investigation of the background and qualifications of potential IHSS Home Care Providers.
- Refer potential Home Care Providers from the registry to IHSS clients/consumers upon request.
- Provide IHSS clients/consumers and IHSS Home Care Providers access to training.
- Perform any other functions related to the delivery of In-Home Supportive Services, as designated by the governing board.

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IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY FISCAL YEAR 2003/2004 BUDGET AND SPECIAL REVENUE FUND ADJUSTMENTS

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The proposed budget will result in a budgetary increase of \$4,914,317. The major portion of this increase (\$4,545,455) reflects the total annual cost of Health Benefits for IHSS Home Care Providers, as detailed below. The remainder of the increase, \$368,862 (County Share \$81,149) is a result of an overall increase in the level of operations of the Public Authority including the request for two additional positions, as well as significant changes to Program components.

The Public Authority's staffing has increased to a total of fourteen employees in three offices. The increased staffing requires an Administrative Supervisor I to provide the necessary level of supervision to ensure smooth operations. In addition, the Public Authority is now preparing to administer several mandated programs: 1) the registry service, 2) a training program for Providers and Clients/Consumers, 3) an emergency respite service, and 4) health benefit administration for IHSS Home Care Providers. These program changes and additions significantly increase the fiscal responsibility of the Public Authority, therefore the position of Accountant will need to be filled in FY 03/04. The proposed FY03/04 budget reflects a net increase of two positions, increasing the total FTE's from 14 to 16, resulting in an increase to Salary and Benefits of \$140,991 from \$649,924 to \$790,915.

The other significant adjustments are as follows:

- (1) Emergency Respite Services, which replaced the original line item of 24-hour Emergency Service contemplated by the Advisory Committee, will require significantly greater expenditures than projected in the FY 01/02 and FY 02/03 budgets. This adjustment to the budgeted amount is necessary because the original projections only took into account the cost of a telephone answering service, and did not consider the costs for any actual service. The inclusion of provider hours (service to the clients) results in an increase of \$183,900, from \$10,500 to \$194,400. This estimate is based on providing emergency respite services for two days per year to 5% of the client population for a total of 11,120 provider hours.
- (2) The cost associated with provider/client training was under estimated in the FY 01/02 and FY 02/03 budgets. It is estimated that 10% of the provider/client population, a total of 2600 individuals, will require training. Inclusion of the under estimated cost will result in an increase of \$67,275 from \$36,000 to \$103,275.
- (3) An adjustment is necessary to the budgeted amount for postage. The Advisory Committee estimated a volume of 7000 pieces of mail per year. There are currently over 12,500 clients and 11,900 Home Care Providers who will be mailed at least one correspondence during FY 03/04. As a result, postage cost will increase by \$43,417 from \$19,380 to \$62,797.
- (4) The budgeted amount for criminal background investigations for registry applicants in FY 02/03 did not take into account the requirement that these investigations should consist of California Department of Justice (DOJ) criminal background investigations. On April 29, 2003, the Board of Directors approved a policy requiring that DOJ Criminal Background Investigations be performed for every Registry Service Provider Applicant. Implementation of this policy will increase the cost for these investigations by \$42,200 from \$80,000 to \$122,200. This projection is based on the processing of 2,600 applicants at a cost of \$47 per applicant.

The budget increases above total \$477,783. Other changes to budgeted amounts include decreases in Registry Software costs by \$54,100, space costs by \$42,285, and equipment by \$128,774. These decreases are offset by increases totaling \$116,238 in other miscellaneous costs such as telephone lines, conferences/travel, accounting services, advertising for recruitment, and other office supplies.

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The adjustments account for the net increase in the In-Home Supportive Services Public Authority operating budget of \$368,862.

As previously noted, individual provider health care benefit costs account for the major increase in the In-Home Supportive Services Public Authority budget. On January 14, 2003 the IHSS PA Board of Directors approved an MOU between the Service Employees International Union (SEIU) and the Public Authority, which provided for County participation in an annual amount not to exceed \$1 million in the local share of cost for health care benefits for eligible providers.

Total appropriations and revenue budgeted for health care benefits in FY 03/04 are \$4,545,455. Federal and State reimbursement will cover approximately 78% of total expenditures (\$3,545,455) for health care benefits. The remaining 22% (\$1,000,000) is local share. The County share of cost will be met from the Social Services Sales Tax Revenues (Realignment).

The FY 03/04 budget increases the total County share of cost by \$1,081,149. One million (\$1,000,000) is the local share authorized by the Board of Supervisors to fund individual provider health care benefits. The remaining \$81,149 is additional local share requested by the IHSS Public Authority to fund increases in its operating budget.

REVIEW BY OTHERS: This item has been reviewed by the Public Authority's Counsel.

FINANCIAL IMPACT: The total proposed FY03/04 budget is \$6,738,893. The proposed budget reflects an increase of \$1,081,149 in County share of cost. State and Federal funds reimburse 78% of the IHSS PA operating costs and the IHSS Provider Health Benefits. The County share of cost is approximately 22% and is met from Social Services Sales Tax Revenues (Realignment).

Authorize the Auditor/Controller-Recorder to make the following Appropriation and Revenue adjustments in the IHSS Public Authority Special Revenue Fund for FY03/04:

Appropriation

Fund	Dept	Org	Object	Description	Amount
RHH	498	498	1010	Salaries and Benefits - PA Staff	\$ 790,915
RHH	498	498	2000	Services and Supplies - for Operations	\$ 1,230,376
RHH	498	498	4050	Fixed Asset Equipment	\$ 28,860
RHH	498	498	5000	Operating Transfers Out	\$ 143,287
RHH	498	498	3000	IHSS Provider Health Benefits	\$ 4,545,455
				Total	\$ 6,738,893

Revenue

Fund	Dept	Org	Appr.	Description	Amount
RHH	498	498	8650	State/Federal Revenue	\$ 5,256,337
RHH	498	498	9975	Operating Transfers In	\$ 1,482,556
				Total	\$ 6,738,893

SUPERVISORIAL DISTRICTS: All

PRESENTER: David Arocho, Executive Director, IHSS Public Authority, (909) 386-5014